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BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

Arizona Corporation Commission

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IN THE MATTER OF THE GENERIC
PROCEEDINGS CONCERNING ELECTRIC
RESTRUCTURING ISSUES.

Docket No. E-00000A-02-0051

IN THE MATTER OF ARIZONA PUBLIC
SERVICE COMPANY'S REQUEST FOR
VARIANCE OF CERTAIN REQUIREMENTS
OF A.A.C. 4-14-2-1606

Docket No. E-01345A-01-0822

IN THE MATTER OF THE GENERIC
PROCEEDINGS CONCERNING THE
ARIZONA INDEPENDENT SCHEDULING
ADMINISTRATOR

Docket No. E-00000A-01-0630

IN THE MATTER OF TUCSON ELECTRIC
COMPANY'S APPLICATION FOR A
VARIANCE OF CERTAIN ELECTRIC POWER
COMPETITION RULES COMPLIANCE
DATES

ISSUES IN THE MATTER OF TUCSON
ELECTRIC POWER COMPANY'S
APPLICATION FOR A VARIANCE OF
CERTAIN ELECTRIC COMPETITION RULES
COMPLIANCE DATES

Docket No. E01933A-02-0069

TUCSON ELECTRIC POWER COMPANY'S STATEMENT
OF UNRESOLVED TRACK B ISSUES

Tucson Electric Power Company ("TEP"), through undersigned counsel, and pursuant to the Commission's procedural order dated September 24, 2002, hereby submits its list of unresolved "Track B" issues. Although TEP believes that the first two issues listed herein have been resolved by agreements reached among the workshop participants, TEP realizes any such resolutions must be made a part of the record of these proceedings. In the event that the agreements reached by the workshop participants are accepted by the Commission, without

1 material change, then the first two listed issues would not be contested issues at the "Track B"
2 hearing. However, in the event that any "Track B" participant now contests the resolution of these
3 issues or the Commission would want to materially change the provisions and terms of the
4 resolutions, then TEP believes the first two issues should be resolved through the hearing process.
5 The third issue presented, regarding the AISA, has not been resolved and should be subject to the
6 hearing process.

7 **ISSUE NO. 1: THE AMOUNT OF TEP CONTESTABLE LOAD.**

8
9 The participants at the workshop agreed that TEP's contestable load would be based upon
10 retail and wholesale needs that would not be served by TEP's current generation, including (a)
11 leased units; and (b) power supplied by pre-existing Federal Energy Regulatory Commission or
12 Commission approved contracts with affiliated and non-affiliated suppliers. Also, load being
13 provided by "QF" contracts in place as of September 1, 2002 would be excluded from the
14 determination of contestable load.

15 **ISSUE NO. 2: INVOLVEMENT OF A UTILITY'S MARKETING EMPLOYEES IN**
16 **THE COMPETITIVE SOLICITATION PROCESS.**

17 The workshop participants agreed that utility employees involved in marketing activities
18 would be permitted to participate in the competitive solicitation process provided that the utility is
19 not involved in bidding for its own power.
20

21 **ISSUE NO. 3: AISA.**

22 TEP believes that the contemplated hearing is an appropriate forum for the Commission to
23 receive evidence on the status of the AISA and to determine whether Arizona electric utilities
24 should continue to participate in the AISA.

25 TEP reserves its right to fully participate in the adjudication of these and any other issues
26 that the parties and Staff may identify as "contestable" and that may be raised at the "Track B"
27

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1 hearing. TEP does not have a proposed schedule to present at this time, but will be prepared to
2 discuss schedules at the Procedural Conference set for October 2, 2002.

3 Respectfully this 1st day of October, 2002.

4 **ROSHKA HEYMAN & DEWULF, PLC**

5
6 By 

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10 Attorneys for Tucson Electric Power Company

11 **ORIGINAL and 18 COPIES filed**
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13 Docket Control
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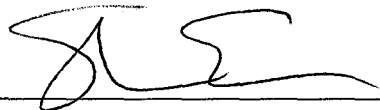
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